



Highlights of [GAO-04-609](#), a report to congressional committees

Why GAO Did This Study

Since the end of the Cold War, U.S. military overseas presence has changed dramatically. The Department of Defense (DOD) has been reexamining overseas basing requirements, and it expects to make a number of changes to provide greater flexibility for U.S. forces in Western Europe and Northeast Asia. Concerns over the potential use of funds for what may soon be obsolete basing projects prompted congressional action directing DOD to prepare and submit with next year's budget request comprehensive master plans for changing infrastructure requirements under each overseas command. GAO was also directed to report on the development and implementation of these plans. GAO completed an advance review to identify opportunities to make the plans more informative for Congress and DOD in their oversight responsibilities. This report addresses: (1) the development of overseas regional commands' comprehensive master plans, and (2) the factors affecting U.S. infrastructure costs overseas and the development and implementation of comprehensive master plans.

What GAO Recommends

GAO recommends that overseas regional commands identify several specific factors, such as residual property value and environmental issues, when developing and reporting to Congress on their master plans. DOD partially concurred.

www.gao.gov/cgi-bin/getrpt?GAO-04-609.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barry W. Holman at (202) 512-8412 or holmanb@gao.gov.

DEFENSE INFRASTRUCTURE

Factors Affecting U.S. Infrastructure Costs Overseas and the Development of Comprehensive Master Plans

What GAO Found

At the time of our review, overseas regional commands had not yet begun developing the comprehensive master plans required to be submitted with the fiscal year 2006 budget submission in early 2005, but are working on creating and implementing plans for installations that they believe will have an enduring presence. According to command officials, the development of the master plans depends upon the outcome of the not-yet-completed DOD effort to develop an Integrated Global Presence and Basing Strategy, as well as guidance that the Office of the Secretary of Defense (OSD) is finalizing for the regional commands. In March 2003, the Secretary of Defense requested that the Under Secretary of Defense for Policy and the Chairman, Joint Chiefs of Staff, develop an Integrated Global Presence and Basing Strategy that may change the global positioning of forces and the supporting infrastructure overseas. Until results of the strategy are released and OSD guidance is finalized, command officials are limiting their development and implementation of the master plans to installations that they believe will have an enduring presence. These plans include moving military personnel from near the demilitarized zone to other sites in South Korea; reducing U.S. forces' land use by over 12,000 acres in Okinawa, Japan; and consolidating 13 installations into a single location near Grafenwöhr, Germany.

Various factors can affect U.S. infrastructure costs overseas and the development and implementation of the overseas regional commands' comprehensive master plans. These factors include cash and other cost burden-sharing contributions from host nations; property returns to host nations; the environmental remediation of property returned to host nations; and the receipt of residual value from host nations for returned property. The extent to which these factors affect costs can vary by regional command and by international agreements reached with host nations. Furthermore, overseas commands have several U.S. sources to help fund ongoing and future infrastructure changes, including operation and maintenance and contingency operations appropriations in addition to military construction appropriations, which includes exercise-related construction. GAO agrees that OSD's preliminary guidance—directing the overseas regional commands to address the precise facility requirements, properties being returned to host nations, funding requirements, and the division of funding responsibilities between the United States and cognizant host nations in their comprehensive master plans—is appropriate. However, the extent to which the commands' plans and status reports will address other factors—such as residual property value and environmental remediation issues, and multiple U.S. funding sources—that are not clearly specified by congressional or OSD's preliminary guidance remains unclear. Addressing the applicability of these factors in the development of the master plans and annual status reports would make them more useful to the services and overseas regional commands in managing U.S. military infrastructure and associated costs overseas, and provide Congress and OSD with more complete information for their oversight responsibilities.